REMARKS

A final Office Action was mailed on March 10, 2005. Claims 1-7, 9-12, 14 and 15 are currently pending in the application. No new matter is introduced. Support for new claims 16-21 may be found in Applicants' specification, for example, at page 14, lines 16-25 (with reference to FIG. 5).

Applicants timely mailed a Response to Office Action on June 6, 2005. In that Response, Applicants amended claims 1-3, 14 and 15 to address informalities, and adds new claims 16-21.

An Advisory Action was mailed on June 20, 2005, indicating that the amendments to claims 1-3, 14 and 15 would be entered, but that the arguments regarding claims 1-7, 9-12, 14, and 15 were not persuasive. In addition, the Examiner would not enter new claims 16-21.

Applicants submit the present Preliminary Amendment together with a Request for Continued Examination (RCE) and Petition for a two-month extension of time. The Preliminary Amendment includes new claims 16-21 presented in the Response of June 6 and an amendment to claim 1 for formality. Applicants also respectfully submit additional arguments to address the Examiner's concerns. No new matter has been added.

REJECTION UNDER 35 U.S.C. § 102

Claims 1-7, 9-12, 14 and 15 are rejected under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent No. 6,522,769 to Rhoads et al. Applicants respectfully traverse this rejection.

Rhoads et al. discloses a system and method for reconfiguring a watermark detector (see, e.g., Abstract of Rhoads et al.). The system may include at least one of a watermark detector and/or a watermark decoder (see, e.g., column 10, line 59 to column 11, line 50 of Rhoads et al.). Associated copy protection methods may include information associated with a user performing

downloads such as registered user device identification (see, e.g., column 11, lines 28 – 47). Delivered content may include pre-registered device identification information, which is compared with the actual device identification upon downloading to determine whether copying of the content to the identified device is permitted.

While Rhoads et al. apparently discloses means for detecting and decoding electronic watermarks, Rhoads et al. fails to disclose or suggest a user device additionally including means for removing the electronic watermark in order to facilitate execution when it is determined that the associated content is authorized content with respect to the user, as claimed in claim 1 .

Although Rhoads et al. teaches that watermark data may be used to provide access to additional content (see, e.g., column 12, lines 44 – 62 of Rhoads et al.) and to qualify the extent of permission to use downloaded content (see, e.g., column 13, lines 25 – 32), Rhoads et al. does not teach or suggest using a watermark as a means to prevent execution of downloaded content so long as the watermark has not been removed by the user, in sharp contrast to Applicants' claimed invention. In fact, Rhoads et al. essentially teaches away from this approach by suggesting that a watermark be added to downloaded content as a means of authorizing or enabling execution of the content (see, e.g., column 13, lines 20 – 24 of Rhoads et al.).

In the Advisory Action dated June 20, 2005, the Examiner cites In re Casey, 370 F.2d 575, 152 U.S.P.Q. 235 (CCPA 1967) and In re Otto, 312 F.2d 937, 939, 136 U.S.P.Q. 458, 459 (CCPA 1963) in support of Examiner's claim rejection. The Examiner uses the decoder modification disclosed on col. 27, lines 15-35 of Rhoads et al. as evidence that the decoder of Rhoads et al. "can also remove the watermark if desire[d] and authorized by the Clearing house." Applicants respectfully submit that the structure of the scheme disclosed in Rhoads et al. precludes such an operation. As illustrated in col. 13, line 11 to col. 15, line 10 of Rhoads et al.,

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the watermark technique is used for protecting and controlling downloaded content. It is the

only control scheme over the downloaded content that Rhoads et al. provides. If such a

watermark were to be removed, then the Record Label 12 and Music Artist 10 of Fig. 1 in

Rhoads et al., and all of their affiliates would have no control over what is done with the content

at the consumer PC (Fig. 1 of Rhoads et al.), and the functionality and purpose of Rhoads et al.

would be mooted for the unprotected content. In contrast, Applicants' system provides a

technique for delivering not only media content, but executable content to user terminals (one of

15-1 to 15-N), each comprising an entertainment system 17 that includes control means 20 (see

Fig. 1 of the application). Applicants describe an illustrative embodiment of the present

invention in page 13, line 22 to page 14, line 26 of the specification, in conjunction with Fig. 5,

where watermarked content is delivered to user terminals (one of 15-1 to 15-N). In accordance

with an embodiment of the invention, entertainment system 17 and control means 20 may limit

duplication, or dissemination, of content recorded therein. For example, Applicants describe an

illustrative embodiment of this control over content, with watermark removed, on page 17 lines

5-10 in the specification,

> "In the present embodiment, as described above, because the consistency of the device ID
> described in the content stored in the main data storage 22 with the device ID stored in
> the device itself is one of conditions which should be satisfied to execute the content, the
> content is prevented from being executed on another device even if the same main data
> storage 22 is attached to the that another device. Furthermore, the use of the card ID
> stored on the IC card makes the security more reliable."

As such, Applicants' technique allows for the watermark removal while maintaining

control over the content. Rhoads et al. does not disclose any kind of control other than its

watermark technique, and thus, does not provide any structure or functionality that would

accommodate the removal of its watermarks while maintaining control over downloaded content.

Col. 27, lines 15-25 of <u>Rhoads et al.</u> cited by the Examiner describe techniques for remotely modifying *watermark decoders* and their behavior in reaction to various watermark signals. The cited text does not appear to disclose any decoder making any changes to a watermark signal.

For these reasons, Applicants respectfully submit that <u>Rhoads et al.</u> fails to anticipate Applicants' claimed invention as claimed in independent claim 1, and that independent claim 1 is therefore allowable. As independent claims 2 – 5, 9, 10, 14 and 15 substantially include the limitations of claim 1 pertaining to watermarks, Applicants further submit that independent claims 2 – 5, 9, 10, 14 and 15 are not anticipated by <u>Rhoads et al.</u> and are in condition for allowance. In addition as claims 6, 7 and 11, 12 respectively depend from allowable independent claims 4, 5 and 9, 10, Applicants further submit that claims 6, 7 and 11, 12 are allowable for at least this reason.
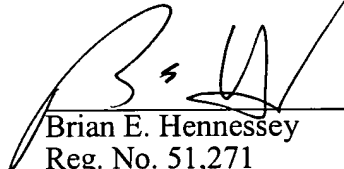
<u>NEW CLAIMS</u>

New claims 16 – 21 are introduced to further claim a preferred mechanism for removal of the electronic watermark when checking indicates that the content is authorized with respect to the user. New claims 16 – 21 disclose key information which is transmitted to a user terminal by a content provided upon determining that the content is authorized, and which includes information representing a data location of the content in order to facilitate removal of the electronic watermark by the user terminal. As disclosed for example by new claims 18 and 21, upon completing the watermark removal, the user terminal may also be configured to delete the key information. Applicants respectfully submit that the limitations of new claims 16 – 21 are neither disclosed nor suggested by <u>Rhoads et al.</u>, and are therefore allowable.

CONCLUSION

An earnest effort has been made to be fully responsive to the Examiner's objections. In view of the above remarks, it is believed that claims 1 – 7, 9 – 12, and 14 - 21, consisting of independent claims 1 – 5, 9, 10, 14 and 15, and the claims dependent therefrom, are in condition for allowance. Passage of this case to allowance is earnestly solicited. However, if for any reason the Examiner should consider this application not to be in condition for allowance, he is respectfully requested to telephone the undersigned attorney at the number listed below prior to issuing a further Action.

Any fee due with this paper may be charged on Deposit Account 50-1290.

Respectfully submitted,/

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